

Millennium Challenge Corporation

Reducing Poverty Through Growth



COUNTRY : BENIN

STATUS : COMPACT SIGNED

LAST UPDATE: AUGUST 2006

GENERAL INFORMATION

Population	8,177,208*
GNI Per Capita	\$510*
Location	Western Africa, between Nigeria and Togo
Total Compact Amount	\$307.3 Million
Compact Duration	5 Years

SIMON PIERRE ADOVELANDE

Coordinator of the Benin MCA team

"The great difference between the MCA-Benin Program and previous development programs is that it addresses, at the same time, all the problems of the chain of development, instead of addressing only one link, and this was made possible because of the large amount of financing available through the MCA. That is one of the most original aspects of the Millennium Challenge Corporation's approach to development."

COMPACT GOAL

The Benin Compact removes key constraints to economic growth and supports improvements in physical and institutional infrastructures in four critical sectors in order to increase investment and private sector activity in Benin. The Compact comprises four projects: Access to Land, Access to Financial Services, Access to Justice, and Access to Markets.

EXPECTED RESULTS

The Program is expected to impact an estimated 5 million beneficiaries and lift 250,000 Beninese out of poverty by the year 2015. The Land Project is expected to assist an estimated 115,000 rural and urban households with more secure and useful land tenure; contribute to a 50% reduction in court cases related to land disputes in targeted areas; and result in a 10% increase in investment in rural land and a 20% increase in investment in urban property. The Financial Services Project is expected to expand financial services to micro, small, and medium enterprises by nearly \$60 million. The Justice Project is anticipated to benefit approximately 2.38 million Beninese by bringing courts closer to rural populations. The Markets Project will alleviate physical and procedural constraints that currently hinder the flow of goods through the Port of Cotonou. A more efficient port will reduce transport costs, augment the quantity of goods flowing through Benin, and stimulate the creation of new jobs throughout the country.

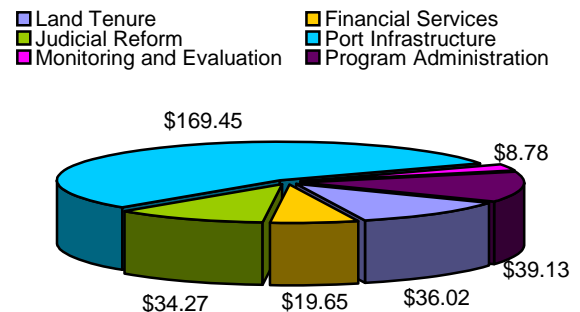
COMPACT PROCESS

DATE

Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Revised Proposal Receipt	<input checked="" type="checkbox"/>	September 5, 2005
Opportunity Memo	<input checked="" type="checkbox"/>	January 27, 2005
Congressional Notification on Formal Negotiations	<input checked="" type="checkbox"/>	July 22, 2005
Investment Memo	<input checked="" type="checkbox"/>	November 17, 2005
Board Approval	<input checked="" type="checkbox"/>	January 30, 2006
Compact Signing	<input checked="" type="checkbox"/>	February 22, 2006
Entry into Force		
Initial Disbursement		

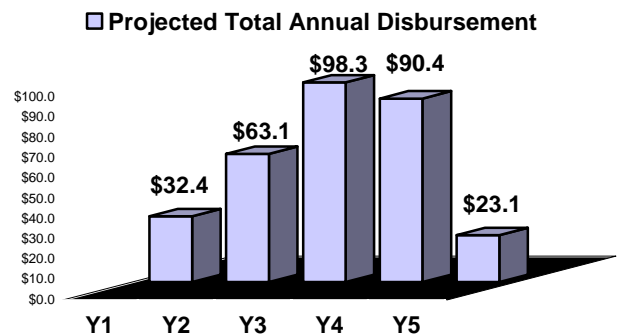
OBLIGATIONS BY KEY SECTORS

(IN MILLIONS)



BENIN DISBURSEMENT SCHEDULE

(IN MILLIONS)



UPDATE ON PROGRESS

- MCC signed a five-year, \$307.3 million Compact with the Government of Benin in February 2006.
- Recruitment of key MCA-Benin staff is complete; other staffing is underway.
- An engineering/consulting firm has begun the Initial Technical Studies for the Port of Cotonou under the Access to Markets program using Compact Implementation Funding.

*World Development Indicators, World Bank, 2005